



## TECHNICAL SUPPORT OFFICE

Unit 2506 Raffles Corporate Center,  
F. Ortigas Jr. Avenue, Ortigas Center,  
Pasig City, Philippines 1605

**NPM No. 08-2010**

8 March 2010

**MS. RODOARA N. GAMBOA**  
*General Manager*  
**DAVAO CITY WATER DISTRICT**  
Km. 5, Jose P. Laurel Avenue, Bajada,  
Davao City

**Re: Repeat Order**

Dear Ms. Gamboa:

We respond to your letter dated 27 October 2009, which we received last 4 November 2009, inquiring on the appropriateness of resorting to the alternative mode of repeat order in the procurement of water meters.

We understand that five public biddings were conducted in 2009 for the supply and delivery of 7,150 water meters. The first three were awarded at the bid price of P1,190 and fully delivered as of 14 October 2009. The last two, which are about to be awarded at a lower bid price of P1,188 and P1,180.00, have not yet been delivered.

Specifically, you request for clarification on the following:

- 1) Does the fact that there are still water meters to be delivered affect the requirement of the "need to replenish"?
- 2) If we can proceed to use repeat order, under what price should we consider, P1,190 or P 1,180?

Under Section 51 of Republic Act (RA) 9184 and its revised Implementing Rules and Regulations (IRR), the alternative mode of repeat order may be resorted to whenever there is a need to replenish goods procured under a contract previously awarded through competitive bidding. It shall likewise be subject to the following conditions:

- a. Unit prices of the repeat order must be the same as or lower than those in the original contract, provided that such prices are still the most advantageous to the government after price verification;
- b. It will not result in splitting of contracts, requisitions, or purchase orders;

- c. Except in cases duly approved by the Government Procurement Policy Board, repeat order shall be availed of only within six (6) months from the contract effectivity date stated in the Notice to Proceed arising from the original contract; and
- d. Repeat order shall not exceed twenty-five percent (25%) of the quantity of each item in the original contract.

With regard to the first query, it bears stressing that the determination of whether to engage in any of the alternative modes of procurement is vested on the procuring entity. Section 48.1 of the IRR clearly states that the procuring entity may, in order to promote economy and efficiency, resort to any of the alternative methods of procurement whenever justified by the conditions prescribed in the law and rules. Thus, while there is no precise definition of the phrase "need to replenish", it is sufficient that the procuring entity can justify and is prepared to be held accountable for its proposed resort to repeat order.

Anent your second query, one of the conditions prescribed for repeat order is that unit prices must be the same as or lower than those in the original contract, provided that such prices are still the most advantageous to the government after price verification. Considering that the 4th and 5th biddings resulted to a lower bid price, we thus advise the procuring entity to negotiate for a lower bid price (for instance, P1,180) than P1,190 or the price stated in the original contract.

We hope to have provided sufficient guidance on the matter. Should you have additional questions, please do not hesitate to contact us.

Very truly yours,



**RUBY U. ALVAREZ**  
*Executive Director III*



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